

29 February 2024

Dr Keith Kendall
Chair and CEO
Australian Accounting Standards Board
PO BOX 204, Collins Street West
VIC 8007

Sydney

1 Martin Place (Level 12), NSW 2000
GPO Box 9836, Sydney NSW 2001
Australian Prudential Regulation Authority
02 9210 3000 | apra.gov.au

Dear Dr Kendall,

Submission to exposure draft ED SR1 Australian sustainability reporting standards

The Council of Financial Regulators (CFR) Climate Working Group welcomes the opportunity to comment on Exposure Draft ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information. The CFR encourages the AASB to adopt the International Sustainability Standards Board (ISSB) IFRS S2 Climate-related Disclosures standard in Australia, with modifications limited to those necessary to ensure standards are fit for purpose for Australia.

CFR is the coordinating body for Australia's main financial regulatory agencies. There are four members: the Australian Prudential Regulation Authority (APRA), the Australian Securities and Investments Commission (ASIC), the Australian Treasury and the Reserve Bank of Australia (RBA). The CFR Climate Working Group was established in 2017. Consistent with their mandates for financial stability and market efficiency and integrity, the Working Group provides a forum for APRA, ASIC, RBA and Treasury to consider and coordinate actions to enhance the ability of financial market participants to manage the financial risks and identify the opportunities associated with climate change.

In July 2022, the CFR provided a joint comment letter to the ISSB, supporting the establishment of the ISSB to deliver a comprehensive global baseline for sustainability-related disclosure standards that provide investors and other capital market participants with information about entities' sustainability-related risks and help them make informed decisions.

We consider an internationally-aligned climate-related financial reporting framework to be critical to support Australia's reputation as an attractive destination for international capital and to help draw the investment required for Australia's transition to net zero.

Treasury, ASIC and APRA have made individual submissions containing specific considerations in this regard. If you would like to discuss these comments in further detail, please contact Rob Sharma (02 9210 3899) at APRA.

Yours sincerely

Dr Sean Carmody
Executive Director, Insurance Division, APRA
Chair, CFR Climate Working Group